

CHAPTER 234

STORAGE OF GRAIN ON FARMS

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NOTE: For penalties for violation of the provisions of this chapter, see Section 235.13.

**234.01 PURPOSE.** The purpose of this chapter shall be to provide the owner of grain in this state with means of warehousing same on the farm under proper restrictions and safeguards, as a basis for credit and to aid in the orderly marketing thereof.

[1935 c 65 s 1] (5077-15)

**234.02 CONSTRUCTION OF TERMS.** As used in this chapter, unless the context clearly evidences a contrary intention, the following terms shall be construed, respectively:

- (1) Any local supervisory board of individual producers appointed by the department of public service under the provisions of this chapter;
- (2) Any person whose duty it shall be under the provisions of this chapter to inspect, measure, and seal any granary, crib, bin, or other receptacle for the storage of grain;
- (3) Any certificate or receipt evidencing the storage of grain under the provisions of this chapter and any rules or regulations promulgated thereunder shall be considered to be used herein in the same connection as the words "document of title," as defined in the uniform commercial code, Minnesota Statutes, Section 336.1—201(15);
- (4) Any person or persons (whether individuals, corporations, partners or co-partners) who shall have title to and possession of any grain stored under the provisions of this chapter shall be construed to have been used herein in the same connection as the word "warehouseman," as defined in the uniform commercial code, Minnesota Statutes, Section 336.7—102(1) (h).

[1935 c 65 s 2; 1965 c 812 s 7; 1971 c 25 s 67] (5077-16)

**234.03 DUTIES OF DEPARTMENT.** The department is hereby authorized and it is hereby declared to be its duty to carry out the provisions of this chapter, and to this end it is hereby authorized to:

- (1) Make and promulgate such rules and regulations not inconsistent herewith as shall be necessary or desirable effectually to carry out the provisions hereof;
- (2) Make such reasonable regulations with respect to the construction and maintenance of granaries, cribs, bins, or other receptacles as may be necessary to protect the grain stored therein under the provisions of this chapter;
- (3) Prepare and have printed under the same conditions as other state printing the necessary blanks, forms, and other printed matter and make such charges to persons desiring such printed matter as shall meet the cost of production thereof.

[1935 c 65 s 3; 1971 c 25 s 67] (5077-17)

**234.04 MAY APPOINT SUPERVISORY BOARDS.** The department is authorized to appoint such local supervisory boards for any county or counties which it may deem necessary for the purpose of supervising generally and under the direction of the department, grain in storage, the issuance of certificates against such grain and carrying out of the purposes and enforcing the provisions of this chapter.

Such boards shall consist of not less than three nor more than seven members, each of whom shall be a producer of grain in the state and a resident thereof. Each member, upon appointment, shall qualify by taking oath similar to that required of public officials and shall continue in office until his successor is appointed by the department, which shall also have authority to fill any vacancies arising by

reason of the resignation, death, or removal by it of any such member or members.

Each such board shall select such officers, keep such records, and perform such duties as the department may prescribe.

[1935 c 65 s 4; 1971 c 25 s 67] (5077-18)

**234.05 PRIVILEGES OPEN TO ALL.** The privileges of this chapter shall be open to all owners upon the same conditions. Any owner desiring to place grain in storage and have certificate or certificates issued against such grain under the provisions of this chapter shall make application therefor to the department in the manner and upon the forms provided by it for that purpose.

[1935 c 65 s 5; 1971 c 25 s 67] (5077-19)

**234.06 MAY APPOINT LOCAL SEALER.** The department may, upon the recommendation of any board appointed by it hereunder, or upon the request in writing of ten or more producers of grain appoint a local sealer or sealers for any county or counties or part thereof, and every such sealer so appointed shall have the same authority with respect to the provisions of this chapter, and the rules and regulations promulgated hereunder and the enforcement hereof as any officer of the peace.

[1935 c 65 s 6; 1971 c 25 s 67] (5077-20)

**234.07 BOND OF SEALER.** Each sealer shall furnish bond for the faithful performance of his duties in such amount as shall be determined by the department, but in no event shall such bond be in an amount less than \$1,000. The bonds and sureties thereon shall, in every case, be subject to approval of the department and be deposited with it, and in case it is not a personal bond the premium thereon shall be paid by the department out of the funds collected under this chapter. He shall also qualify by taking oath similar to that required of public officials.

[1935 c 65 s 7; 1971 c 25 s 67] (5077-21)

**234.08 DUTIES OF SEALER.** It shall be the duty of the sealer under the direction of the department to:

- (1) Supervise the storage of grain;
- (2) Ascertain the amount stored by each owner who shall desire to avail himself of the privileges of this chapter;
- (3) Determine so far as possible upon the basis prescribed in the rules and regulations issued hereunder the exact grade and quantity thereof;
- (4) Ascertain, prior to the issuance of any certificate, that the bin, crib, granary, or other receptacle in which the grain is stored is satisfactory for the storage of such grain and that such receptacle conforms to the regulations applicable thereto promulgated by the department.

He shall, before delivering certificate to the owner, ascertain that there are no other certificates outstanding upon the grain and seal the granary, crib, bin, or other receptacle in which the grain is stored in the manner hereinafter provided, and thereafter make periodic inspections of the granaries, cribs, bins, or other receptacles so sealed at such times and in such manner as the department may determine; but in no event less frequently than at 90-day intervals, rendering to the department with reference to subsequent inspection, and to the owner when requested, report or affidavit in such form as may be required in regard to the amount and condition of the grain under seal and the condition of the structure within which it is stored.

[1935 c 65 s 8; 1971 c 25 s 67] (5077-22)

**234.09 SEALER MAY INSPECT GRAIN.** The sealer shall have authority at all times to enter upon any premises for the purpose of inspecting grain in storage or in the granary, crib, bin, or other receptacle in which it shall have been stored and the acceptance of a certificate by any owner shall be deemed consent thereafter for the sealer or any person duly authorized thereunto by the department to enter and inspect the sealed grain and the receptacle wherein stored.

[1935 c 65 s 9; 1971 c 25 s 67] (5077-23)

**234.10 SEALS.** Seals employed hereunder shall be furnished by the department and shall contain the following language:

"Sealed by authority State of Minnesota, Department of Public Service.

Any person tampering with this seal or removing any grain herein shall be subject to a fine and imprisonment as provided by law.

Consecutive No....."

[1935 c 65 s 10; 1971 c 25 s 67] (5077-24)

**234.11 CERTIFICATES.** Certificates shall be upon forms to be prepared and furnished by the department and every certificate must embody within its written or printed terms:

- (1) The date and consecutive number thereof;
- (2) A particular description of the granary, crib, bin, or other receptacle in which the grain is stored and of the premises on which it is located;
- (3) Description of the grain as may be required by the regulations issued hereunder;
- (4) Name of the owner or owners, whether ownership is sole, joint, or in trust, and in case of tenants, the date of the expiration of the lease;
- (5) Statement that no other certificates are outstanding on the grain represented thereby;
- (6) Statement whether grain will be delivered to bearer, to a specified person, or to a specified person or his order, and at what place it will be delivered;
- (7) Facsimile signature of each of the members of the department and counter signature of the sealer;
- (8) Statement of any loans or other indebtedness which in any manner constitutes a lien, whether statutory or contractual, including both mortgage and landlord's lien upon the grain;
- (9) Form of waivers of liens.

[1935 c 65 s 11; 1971 c 25 s 67] (5077-25)

**234.12 OWNER TO EXERCISE REASONABLE CARE.** No term or condition shall be inserted in any certificate, whether negotiable or otherwise, which shall in any manner purport to relieve the owner from exercising that degree of care in the safe-keeping of the grain in storage which a reasonably prudent man would exercise with regard to similar property of his own.

[1935 c 65 s 12] (5077-26)

**234.13 MAY ISSUE MORE THAN ONE CERTIFICATE.** The sealer may issue to the owner one or more certificates, as herein provided, but each such certificate shall cover a separate granary, crib, or bin.

[1935 c 65 s 13] (5077-27)

**234.14 CERTIFICATE TO BE IN QUADRUPLICATE.** All certificates issued hereunder shall be issued in quadruplicate, three copies marked "Duplicate—No Value." The original and one duplicate copy shall be delivered to the owner and the other duplicate copies shall be filed with the department, or the local supervisory warehouse board for the county in which the grain is stored if any such board has been established hereunder.

[1935 c 65 s 14; 1971 c 25 s 67] (5077-28)

**234.15 OWNER TO DELIVER DUPLICATE.** When the owner negotiates the original certificate, he shall at the same time deliver to the assignee the duplicate or the receipt of the register of deeds for the same. Such assignee may file the duplicate in the office of the register of deeds of the county in which the grain is located which duplicate shall remain in the custody of the register of deeds, except as hereinafter provided.

[1935 c 65 s 15] (5077-29)

**234.16 DUPLICATE FILED WITH REGISTER OF DEEDS.** When a duplicate is filed in the office of the register of deeds, he shall index the same in the chattel mortgage index or other suitable index book showing date of the certificate, the number thereof, to whom issued, kind, quantity, and location of the grain. He shall collect 35 cents for each certificate indexed. The filing and indexing of such certificate shall impart the same notice as the filing and indexing of a chattel mortgage.

[1935 c 65 s 16] (5077-30)

**234.17 ASSIGNMENTS MAY BE FILED.** When the owner or holder of a certificate makes written assignment thereof the register of deeds shall on request of the assignee enter a copy of such assignment upon the duplicate in his office and enter upon the index book the date of the assignment, the names of the assignor and the assignee. He shall collect 25 cents for each assignment entered.

[1935 c 65 s 17] (5077-31)

**234.18 CANCELATION OF CERTIFICATES.** The owner may secure the cancellation of a certificate by delivering the original to the department or the board by which it was issued with the request that it be canceled. The department or board shall stamp the original "canceled" with the date of such cancellation and retain same. Upon notice in writing from the department or board issuing the certificate that it has been canceled, the register of deeds shall release the duplicate filed of record without charge.

[1935 c 65 s 18; 1971 c 25 s 67] (5077-32)

**234.19 OWNER TO DELIVER GRAIN.** The owner shall, in the absence of some lawful excuse provided by this chapter, deliver the grain stored upon demand by the holder of the certificate of the grain, if such demand is accompanied by an offer to surrender the certificate.

[1935 c 65 s 19] (5077-33)

**234.20 EXCUSE FOR REFUSAL.** In case the owner refuses or fails to deliver the goods in compliance with a demand by the holder of a certificate so accompanied, the burden shall be upon the owner to establish the existence of a lawful excuse for such refusal.

[1935 c 65 s 20] (5077-34)

**234.21 EXPENSE OF SUPERVISION.** For the purposes of defraying the expenses of supervision the owner shall pay to the department or the local supervisory board of the county in which the grain is stored, if any, at the time of sealing an amount determined by the rules and regulations issued hereunder, but in no event to exceed one cent per bushel for grain inspected and sealed by the sealer. Out of the funds thus created, the compensation of the sealer as fixed by the department shall be paid by it or by the board of the county in which the grain is stored, subject to its approval.

[1935 c 65 s 21; 1971 c 25 s 67] (5077-35)

**234.22 FEES FOR SEALER.** In the exercise of his power and functions as an officer of the peace in connection with the provisions of this chapter, the sealer is entitled to the same fees as are provided by law for the performance of similar duties.

[1935 c 65 s 22] (5077-36)

**234.23 VIOLATION; PENALTY.** Any person unlawfully removing, breaking or in any manner interfering or tampering with any seal, lock, or other fastening placed upon any granary, crib, bin, or other receptacle for grain under the provisions of this chapter, except when such removal shall be rendered imperative to prevent the damage, loss, or destruction of grain stored therein, shall be guilty of a crime and punished by a fine of not less than \$100 or more than \$500 or by imprisonment in the county jail for not more than six months or by both such fine and imprisonment.

[1935 c 65 s 23] (5077-37)

**234.24 FRAUDULENT CERTIFICATES.** An owner, the agent or servant of an owner, or any member of any board, or any sealer, who fraudulently issues or aids in fraudulently issuing a certificate for grain, knowing that it contains any false statement, shall be guilty of a crime; and, upon conviction, punished for each offense by imprisonment in the county jail not exceeding one year or by a fine not exceeding \$1,000, or by both.

[1935 c 65 s 24] (5077-38)

**234.25 VIOLATIONS; PENALTIES.** Subdivision 1. An owner, or any officer, agent or servant of an owner, who delivers grain out of the possession of such owner, knowing that a negotiable certificate, the negotiating of which would transfer the right to the possession of such grain is outstanding and uncanceled without obtaining the possession of such certificate at or before the time of such delivery shall, except when ordered by the court as hereinbefore provided, be found guilty of a crime; and on conviction punished for each offense by imprisonment in the county jail not exceeding one year or by a fine not exceeding \$1,000 or by both such imprisonment and fine.

Subd. 2. Any owner who shall, after the issuance and negotiation of a certificate for grain in storage, take, sell, mortgage, pledge, hypothecate, or otherwise encumber, or attempt to take, sell, mortgage, pledge, or otherwise encumber, the said grain, or who shall take or remove it from the receptacle where standing, shall be guilty of a crime; and upon conviction thereof subject to a fine of not less than \$100 nor more than \$1,000 or be imprisoned in the county jail for not more than one year or be punished by both such fine and imprisonment.

[1935 c 65 s 25, 26] (5077-39, 5077-40)

**234.27 UNIFORM COMMERCIAL CODE TO APPLY.** All the provisions of article 7 of the uniform commercial code, relative to the negotiation, transfer, sale, or endorsement of warehouse receipts, shall, so far as possible, apply to the negotiation, transfer, sale, or endorsement of the certificates provided for herein.

[1935 c 65 s 27; 1965 c 812 s 8] (5077-41)